



**2011 CalPERS Health Plan Rate and Benefit Changes Seminar**

Sacramento Regional Office | July 30, 2010  
Presented by CalPERS Health Benefits Program, Public Agency & Schools Marketing Unit

---

---

---


---

---

---

---

---



**2011 CalPERS Health Plan Rate and Benefit Changes Seminar**

### Agenda

- Health Premium Overall Rate Changes for 2011
- Basic Premium Changes by Region
- National Healthcare Reform
- Health Partners – Overview and Benefit Changes
  - Anthem Blue Cross
  - Blue Shield of California
  - Medco Health Solutions
  - Kaiser Permanente
- Open Enrollment – Key Dates
- Questions and Answers

---

---

---


---

---

---

---

---



**2011 CalPERS Health Plan Rate and Benefit Changes Seminar**

### 2011 Premium Overall Rate Changes

Total Program (State and Contracting Agencies)

- Overall premium increase of 9.1%
- Overall premium increase for Basic plans of 10.6%
- Overall premium increase for Medicare plans of 3.4%

---

---

---


---

---

---

---

---


2011 CalPERS Health Plan Rate and Benefit Changes Seminar

2011 Basic Premium Changes  
Northern California Regions

---

---

---


---

---

---

---

---


2011 CalPERS Health Plan Rate and Benefit Changes Seminar

Basic Premium Changes – Sacramento Region

Health Plan	Percent Change (+/-)
Blue Shield Access+	17.24%
Blue Shield NetValue	14.35%
Kaiser CA	4.37%
PERS Choice	14.33%
PERS Select	7.10%
PERSCare	6.30%

---

---

---


---

---

---

---

---


2011 CalPERS Health Plan Rate and Benefit Changes Seminar

Basic Premium Changes – Bay Area Region

Health Plan	Percent Change (+/-)
Blue Shield Access+	17.01%
Blue Shield NetValue	16.17%
Kaiser CA	6.84%
PERS Choice	10.74%
PERS Select	3.74%
PERSCare	2.97%

---

---

---

---

---

---

---

---



### Basic Premium Changes – Other Northern CA Region

Health Plan	Percent Change (+/-)
Blue Shield Access+	17.00%
Kaiser CA	6.46%
PERS Choice	11.45%
PERS Select	4.40%
PERSCare	3.62%

---

---

---

---

---

---

---



### National Healthcare Reform

- Currently, CalPERS is on target to implement all 2010/2011 provisions, including
  - Extension of dependent coverage up to age 26
  - Elimination of lifetime limits for PERS Select and PERS Choice
  - Changes to annual limits
  - Early Retiree Reinsurance Program (ERRP)

---

---

---

---

---

---

---



### 2011 Open Enrollment

---

---

---

---

---

---

---



### Open Enrollment Key Dates

- August 16th and August 23rd
  - Mailing waves of Open Enrollment member packages
- August 30th – October 8th
  - Open Enrollment Health Fairs conducted
- September 13th – October 8th
  - Open Enrollment period for the 2011 health plan year

---

---

---

---

---

---

---



### Helpful Websites and Phone Numbers

- CalPERS
  - [www.calpers.ca.gov](http://www.calpers.ca.gov)
  - **888 CalPERS**  
(or 888-225-7377)
- Anthem Blue Cross
  - [www.anthem.com/ca/calpers](http://www.anthem.com/ca/calpers)
  - (877) 737-7776
- Blue Shield of California
  - [www.blueshieldca.com/calpers](http://www.blueshieldca.com/calpers)
  - (800) 334-5847
- Kaiser Permanente
  - [www.kp.org/calpers](http://www.kp.org/calpers)
  - (800) 464-4000
- Medco
  - [www.medco.com/calpers](http://www.medco.com/calpers)
  - (800) 939-7091

---

---

---

---

---

---

---

2011 CalPERS Health Plan Rate and Benefit Changes Seminar  
Northern California Sessions

Date: July 30, 2010  
Segment: Health Plan Rate and Benefit Changes Seminar  
Host: Pamela Goldberg  
Guests: Don Sherman and Terri McIntyre

**Video Transcript**

Host:

Good morning. I'm Pamela Goldberg with CalPERS. On behalf of CalPERS Employer and Member Health Services Division and our health plan partners, we welcome you to the Northern California regional sessions of the 2011 CalPERS Health Plan Rate and Benefit Changes Seminar. We are hosting this event in front of a live audience here at the Sacramento Regional Office and simultaneously broadcasting this presentation via webinar. For those of you in our cyber audience, a very special welcome to this webinar. More than 500 people will be participating in this format. During the seminar, those of you online will be able to view the slides and hear the presenters of this presentation in real time as we progress through the program. We are now recording the audio portion as well as the accompanying slides used in this presentation. For those who want a copy, downloadable materials are available. A recording of this event will be archived and posted on the CalPERS website, [www.calpers.ca.gov](http://www.calpers.ca.gov). Speaking of technology, for those of you here, please take a moment now to silence your cell phones or other electronic devices. And now let's take a look at today's agenda for the 2011 CalPERS Health Plan Rate and Benefit Changes Seminar.

We will begin with a review of the overall health premium changes, and specifically the premium changes in the Northern California region. Next, Don Sherman of CalPERS will provide information about National Healthcare Reform. Then representatives from our health plan partners, Anthem Blue Cross, Medco, Blue Shield of California, and Kaiser Permanente will each give a 15 minute customized presentation. In each segment, the representative will talk about the health plan and specific benefit changes to each plan. After we have heard from each of the plan partners, Terri McIntyre of CalPERS will review the key dates for the 2011 Open Enrollment period.

At approximately 11:00 a.m., we will begin a 30 minute question and answer session. Whether you are here in person or participating via webinar, you will have an opportunity to ask questions of the presenters during the Q and A. For those of you participating via webinar, you will see a tab that says "ask a question" on your screen. You may type your questions at any time. But do keep in mind that we are reserving time at the end of this presentation to address questions from our audience. If we can't get to your questions in the time, due to time limits, we will post the responses on the web along with the recording and slides of this presentation.

## 2011 CalPERS Health Plan Rate and Benefit Changes Seminar Northern California Sessions

And now, let's launch the Northern California session of the 2011 Health Plan Rate and Benefit Changes Seminar, beginning with the first item on our agenda, the 2011 Premium Overall Rate Changes.

As you can see on this slide, for State and contracting agencies, there is an overall premium increase of 9.1%. The overall increase for Basic plans is 10.6%, and for Medicare 3.4%. And now for the premium changes in the Northern California regions, for the Sacramento region, the percentage change for 2011 ranges from a little over 4% with Kaiser California to about 17% with Blue Shield Access+.

On this slide representing the Bay Area, the percentage change for 2011 ranges from just under 3% for both PERSCare and PERS Select to about 17% with Blue Shield Access+. For all other combined regions in Northern California, as you can see on this slide, the range is from 3.62% with PERSCare to a high of 17% with Blue Shield Access+.

This ends the overview of the overall rate increases. These rate charts, and other information, are available on the CalPERS website. And now, with great pleasure, introduce Don Sherman of CalPERS Employer and Health Services Division to discuss National Healthcare Reform.

Don Sherman:

Good morning. National Healthcare Reform, an exciting topic for everyone. Now the Patient Protection and Affordable Care Act as it is affectionately known, has some measures that will roll out over various years. The most significant that have a near term impact for our employers and for our members are the extension of dependent coverage until the age of 26, lifetime and annual limits, and the early retirees reinsurance program or EERP. Now we have at [calpers.ca.gov](http://calpers.ca.gov), a list of FAQs, frequently asked questions for employers and for members, and if you'll go to the website [www.calpers.ca.gov](http://www.calpers.ca.gov) you'll be able to download those FAQs, the questions and answers, and they're also linked to [healthcare.gov](http://healthcare.gov), the federal site.

For extension of dependent coverage, children of CalPERS health benefits subscribers, whether they were previously on their parents' benefit plan or not, are eligible for healthcare coverage up to age of 26 January 1<sup>st</sup> of 2011. They're eligible even if they are married, if they're living with their parent or not or whether they're a student or not. So beginning on January 1<sup>st</sup>, 2011, CalPERS benefits packages will be available for those under 23, from under 23 up and to the age of 26. This year's Open Enrollment which is from September 13 through October 8<sup>th</sup>, will be the time for you to enroll those who are from 23 to 26. There will be a communication sent out in August which is coming up next week and the communication to the employers will discuss the manner in which you will enroll on Open Enrollment and any other accommodations that will be made for the dependent coverage up until the age of 26.

2011 CalPERS Health Plan Rate and Benefit Changes Seminar  
Northern California Sessions

On lifetime and annual limits, beginning January 1<sup>st</sup>, plans will be prohibited from imposing lifetime limits on the value of benefits. Now, CalPERS will remove lifetime limits beginning in 2011. So January 1<sup>st</sup> of 2011, no longer will there be lifetime limits. Prior to 2014, plans may impose restricted annual limits on the value of what are termed by the National Healthcare Reform regulations essential health benefits. Now some CalPERS plans currently have annual limits on certain services, things such as hearing aids, outpatient cardiac rehabilitation. Depending on how the pending regulations are defined, how they define essential health services, that's going to determine whether or not those annual benefits will change. CalPERS and our health plan partners will verify which services meet the federal definitions and possibly remove annual limits beginning January 1<sup>st</sup>, 2011.

Now for early retiree reinsurance, the U.S. Department of Health and Human Services released an application in June, on June 29<sup>th</sup> for the Early Retiree Reinsurance program. CalPERS staff completed that application and sent it back the same day, talk about efficiency. The program provides reimbursement to participating employment based plans for a portion of the cost of health benefits for early retirees which is age 55 or older, who are not eligible for Medicare, their spouses, surviving spouses, and dependents. The U.S. Department of Health and Human Services estimates that application approval will conclude in late August of this year. We sent out Circular Letters, again they're available online at [calpers.ca.gov](http://calpers.ca.gov). The reimbursements will reduce premiums, in fact, for the coming health year, by an average of 3% for 2011. So that was a wonderful benefit that all of the employers and members can make use of.

Now, I've been asked to also make a note about statements for the employers, about your health bill. Please make certain to reconcile your health bill to ensure that all enrollments are accurately reflected for both active and retired employees. You should do this monthly. It's absolutely in your best interest to make certain that these are accurate, that they reflect your active and retired employees. A refund will not exceed excess premiums paid for a period of up to six months prior to the date on which the action is processed and recorded. So, please again make sure you reconcile your health statements monthly.

That's our little spiel on National Healthcare Reform and checking your statements monthly.

Host:

Next, I'd like to introduce Terri McIntyre from CalPERS to discuss Open Enrollment.

Terri McIntyre:

2011 CalPERS Health Plan Rate and Benefit Changes Seminar  
Northern California Sessions

Good morning. And thanks again to all of our health plan partners. Those really informative presentations and I learned a lot. So, now that everyone has learned about the benefit changes and rates, you're ready for Open Enrollment, and personally I can't believe it's here already but here we go again. So two weeks from Monday, we will have the first mailing of Open Enrollment packages to our members. They are sent out in two waves, the first wave on August 16<sup>th</sup> and the second on August 23<sup>rd</sup>. It's designed in two different waves to give our call center people a break, and they're clapping, because they do receive a lot of questions as a result of these mailings. What is included in the mailing is a health plan statement which tells the member their current health plan information and who is included on their health enrollment. This is important that they review this information because amazingly people get divorced and forget to delete their spouse, or even may acquire a dependent and forget to add them. That's more unusual. But as Don referenced earlier in his presentation, we do have a six month retroactive reimbursement policy and so if someone did delete a spouse early in the year and forgot to tell their personnel office, they will only be reimbursed six months premiums, even though the deletion goes back to event date. So it's important that they keep you apprised of their changes in their life.

The Open Enrollment member package will also include a rate sheet specific to that member's region. And they will receive a postcard so that they can order Open Enrollment booklets such as our Health Plan Summary Report, our Health Program Guide which notes all of the program rules and regulations and goes into quite a lot of detail about who's eligible, times that they can make changes other than Open Enrollment, and summary information about the Medicare guidelines. Then we also have a Medicare guide that goes into a lot more detail about Medicare regulations and our requirements.

And last but not least, in that Open Enrollment member package, they will receive our Open Enrollment newsletter.

From August 30<sup>th</sup> through October 8<sup>th</sup>, the Open Enrollment health fairs will be conducted, and then the actual Open Enrollment period will be from September 13<sup>th</sup> through October 8<sup>th</sup>, when members need to make their changes and notify their health benefit officers of their changes.

We will be sending out an Open Enrollment Circular Letter to all health benefit officers and assistants, I think next week or soon, if not next week it will be in the early part of the week after that. That Open Enrollment Circular Letter gives you a lot of detail about how to enter the ACES transactions, your timelines. It has a good summary of benefit changes for all of our health plans included in that Circular Letter, and it also gives you information about COBRA rate information for the new year. And it will also tell you your last date that you can enter your Open Enrollment transactions through ACES. So, thank you.

2011 CalPERS Health Plan Rate and Benefit Changes Seminar  
Northern California Sessions